Housing:
Fresh Thinking, New Ideas
Housing: Fresh Thinking, New Ideas
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Foreword:

Housing is at the heart of our everyday lives. It binds our communities, contributes to our wellbeing, stores our wealth, drives our energy consumption and affects our job and health opportunities.

Getting housing ‘right’ would ensure more than just access to good quality housing for all. It would contribute to achieving the Scottish Government’s overall purpose of supporting sustainable economic growth, and it would help us achieve the country’s full potential through better educational and employment opportunities, healthier lives, and a more prosperous and equal society.

The events of the last two years have shown that the health of our housing market and the health of the wider economy are intertwined. By relying too much on housing assets to accumulate our wealth and fund our consumption, we destabilise our economy and divert investment away from other parts of the economy. On the other hand, new affordable housing has been a key plank of the Scottish Government’s Economic Recovery Plan. Accelerated capital expenditure for affordable housing is supporting jobs, households and the construction industry, and we continue to call upon the UK Government to accelerate further money this year to allow us to extend this lifeline and retain the skills capacity in the sector.

Looking further ahead, it is clear that we now face the prospect of a sustained and substantial reduction in the capital resources available to the Scottish Government. Together with the scale of the unresolved challenges facing housing, and of the new opportunities emerging, this means that just carrying on with what we are doing is not an option. To make progress we will need to change the way we produce, allocate, price, manage and think about housing.

And while we need to be realistic about what the housing system can deliver, at the same time we must improve its responsiveness to individuals.

One of the ideas floated in this paper is for provision of housing health checks at key stages in people’s lives.

The publication of this document is the starting point for a broad discussion about housing policy, which will take place throughout the summer, with events across the country to discuss the various themes.

In the light of this debate, towards the end of the year we will publish a Policy Paper setting out our housing policy proposals.

These are big questions. We invite you to spend some of your time reading this document, thinking it over and discussing with family, friends and colleagues. By taking part in the discussion, you can play your part in shaping our housing future.

Alex Neil MSP
Minister for Housing & Communities

Nicola Sturgeon MSP
Deputy First Minister and Cabinet Secretary for Health & Wellbeing

Alex Neil MSP
Minister for Housing & Communities
Introduction:

• Everyone should have a safe, warm home which they can afford. The Scottish Government is committed to ensuring that this aspiration becomes a reality.

• A total of 7,122 social sector new build homes were started in Scotland last year, more than at any time since the 1970s.

• The Scottish housing system is facing unprecedented challenges. The economic crisis has put pressure on all parts of the housing system, including home-owners, tenants, those seeking a home, providers of social housing and the building industry.

• Demand for social housing remains high and is expected to increase, and meeting targets on reducing homelessness will be challenging.

• At the same time, we must strive to have a greener, more sustainable housing stock to help us meet carbon emissions reduction targets.

• Radical thinking and action is needed to ensure that everyone can play their part in Scotland’s housing future.

• The status quo is not an option.
Introduction

1. As well as improving our day-to-day quality of life, good housing is integral to achieving our overall purpose of increasing sustainable economic growth to provide opportunities for all to flourish.

2. Even if not always the root cause, the problems associated with poor quality housing – poverty, ill health and lack of the best start in life for our young people – entail costs to our communities and are visible evidence of significant inequalities in Scottish society.

3. Housing is a vital part of our economy. As well as providing a short-term direct stimulus to the economy through construction, well-functioning housing markets are part and parcel of well-functioning labour markets. Recent economic events have shown, however, that when housing markets become detached from real economic value, they can cause short-term and long-term damage to our economic wellbeing and livelihoods.

4. The quality and type of housing we live in is also a fundamental part of our environment. At a local level, well-designed, good-quality housing improves the attractiveness of the places where we live and work. Nationally, a quarter of greenhouse gas emissions derive from domestic energy use.

Our response to the economic downturn

5. In the last two years the housing system has faced a set of major shocks as a result of the credit crunch and the consequent economic recession. New pressures arose on all parts of the system, including the housebuilding industry. Since then, investment in housing has been a key plank of our Economic Recovery Plan supporting jobs, households and construction firms,\(^1\) including:

- investing £35m in the Home Owners Support Fund (with a further £20m planned for 2010-11) and implementing the Home Owner and Debtor Protection Act (2010) to help homeowners at risk from losing their homes;

- extending the Open Market Shared Equity pilot temporarily to cover the whole of Scotland, with £80m of planned investment to support over 2,000 first time buyers and sustain the market over 2009-10 and 2010-11;

- accelerating capital expenditure on affordable housing to support construction companies and jobs and to meet need, with a £675m programme in 2009-10 supporting a record-breaking 8,100 planned affordable approvals; and

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\(^1\) £120m of the Affordable Housing Investment Programme was brought forward from 2010-11, £40m into 2008-09 and £80m into 2009-10.
• establishing central government funding to kick-start new council house building for the first time in a generation. £50m has been allocated to date, unlocking over £200m of investment by local authorities and enabling plans for over 2,300 homes to be built. This figure will rise to over 3,000 homes as a further £25m is allocated later this year.

6. Our efforts to respond to the economic crisis have gone hand in hand with longer-term structural changes, many of which were set out in our 2007 strategy document Firm Foundations. For example:

• We have been working closely with local authorities to improve planning for new housing provision, linking the modernised development plan process with local housing strategies, supported by a more robust approach to assessment of housing need and demand.
• We are also taking action through the Housing Bill to protect new and existing affordable houses for rent by reforming right to buy and improving the quality of housing services.
• We have established an expert stakeholder group – the Scottish Private Rented Sector Strategy Group – to advise on how to help this sector in Scotland to grow and to improve the quality of services it provides; and we have recently consulted on the group’s recommendations for a proposed Private Housing Bill.

All these changes will take time to have their full effect but are important contributions to ensuring better quality services and meeting future housing need.

Challenges for 2015 and Beyond

7. Despite these important measures and other action to help the housing system weather the storm of recession, the challenges facing Scottish housing over the next five years continue to grow:

• A lack of mortgage finance and more restrictive lending criteria have already put home ownership out of reach for many who might have previously bought and there are significant uncertainties about the future availability of funds;
• The construction sector has shrunk with fewer businesses and fewer jobs. Despite some early positive signs of recovery, this could have significant implications for the house-building industry’s future capacity for growth (the supply of new housing in Scotland fell by 19% between 2007-08 and 2008-09, to the lowest figure in a decade).

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2 Available at: http://www.scotland.gov.uk/Publications/2007/10/30153156/0
3 The consultation on our Private Housing Bill closed on 19 April, and responses are now being considered. The consultation paper is available at: http://www.scotland.gov.uk/Publications/2010/03/04140613/0
• Access to private finance for housing developers is restricted with tighter conditions, and development contributions to the community from new private housing have declined;
• There remain large numbers of people on housing lists across Scotland;
• While progress continues to be made against 2012 homelessness targets\(^5\) and the 2015 Scottish Housing Quality Standard,\(^6\) continued focused effort is needed to ensure delivery;
• Domestic emissions are responsible for 25% of carbon emissions in Scotland\(^7\) and housing is a core part of our forthcoming Energy Efficiency Action Plan to meet a 42% reduction in direct emissions by 2020; and
• Household numbers are projected to continue to grow by an average of 19,000 per year\(^8\) and the number of people aged 75 and over is projected to increase at an even greater rate - by 23% between 2008 and 2018, and by 84% by 2033.\(^9\)

8. Looking to the future, the exact scale of each of the challenges is uncertain. In particular, we cannot be sure of the rate of household formation, and this will itself be influenced by decisions we take about entitlements and the number of houses we build. What is not in doubt, however, is that collectively the size of the challenge is substantial, particularly when faced at a time of significantly reduced Scottish Government resources. Decisions on budgets for the next Spending Review are still to be made, both in the UK and in Scotland, but the Budget 2010 Report showed that the UK current budget deficit was estimated at 8.3% of GDP in 2009-10.\(^10\) Moreover, UK net debt was estimated at 54.1% of GDP in the same year and is expected to rise to 74.9% by 2014-15. As a consequence of the UK Government’s intention to reduce spending, UK gross public investment is currently forecast to fall by 25%\(^11\) in cash terms over the course of the next spending review period (from £60 billion in 2010-11 to £45 billion in 2013-14).

9. As well as presenting challenges, the economic downturn also presents us with opportunities, and allows us to consider new ways of thinking:

• construction costs and the price of land have fallen, and the market is becoming much more competitive – work which previously may have attracted two or three bids can now bring in over 20;

\(^5\) Scotland Performs - http://www.scotland.gov.uk/About/scotPerforms/indicators/Homelessness
\(^9\) Source: GROS, Projected Population of Scotland (2008 based)
\(^10\) An assessment of the medium to long term outlook for public expenditure in Scotland in the light of the 2010 UK Budget is available at http://www.scotland.gov.uk/Topics/Economy/17858/ScotGovExp
\(^11\) HMT Budget 2010 Table C3, p.189, Annex C (http://www.hm-treasury.gov.uk/budget2010_documents.htm)
• business models are being developed by lenders, developers and private rented landlords that rely less on speculative gain and more on the value of the housing services offered;
• local authorities, developers and landlords are working more closely together, and recognising each other’s relative strengths through, for example, new funding models such as the National Housing Trust initiative;
• new sources of finance are emerging (for example funding from the European Investment Bank), and these are sometimes better suited to the long-term nature of housing investment;
• efforts to make the existing and new housing stock greener have the potential to generate thousands of jobs, contribute to economic growth, and significantly reduce fuel bills; and
• new products are being developed, which better meet people’s housing needs, often drawing on new technologies.

10. The projected fall in government expenditure, the scale of the challenges and the need to seize the opportunities over the next five years mean that just carrying on with what we are doing is not an option. To make progress, we will all need to change the way we produce, allocate, price, manage and think about housing. It means being realistic about our expectations of housing and concentrating on how it can support our lives and our economy in the longer-term, rather than being a vehicle for short-term gain. For example:

• For some households, thinking about whether it is worth stretching themselves financially to achieve home ownership, given the risks it can bring.
• For affordable housing providers, relying less heavily on public funding and more on new sources of finance, innovative practices and products, and increased income generation and efficiencies.
• For government at both national and local level, prioritising and targeting our efforts, joining up our services better, and making best use of constrained public resources.

11. This discussion document considers the housing policies that we will need to meet the challenges of the coming years. Five key themes are discussed:

• Chapter 1 examines the evidence about housing need and asks where Government’s priorities should lie.
• Chapter 2 examines some new and emerging ways of generating investment in new affordable housing, and asks which of these methods have most potential for the future.
Chapter 3 focuses on the existing stock, and asks how we might make more flexible use of these assets to support greater choice and better housing outcomes for all.

Chapter 4 raises the key issue of the quality of our homes and of the places we create, including the major challenge of reducing carbon emissions.

Chapter 5 considers how each of the main players in the housing system can play their part in addressing the challenges.

A number of questions are included within this document, though the issues are by no means confined to these. It's important that we all play our part in shaping our housing future, and the final section indicates how you can get involved in the Housing Policy Discussion.
Chapter 1:

examines the evidence about housing need and asks where Government’s priorities should lie.
Scottish housing need

• We must increase the supply of affordable housing and find innovative ways of helping people to live in accommodation which meets their needs.

• This will not be easy – projected Government expenditure is set to be significantly reduced and there will be an increasing need to prioritise.

• The credit crunch led to a severe shrinking in the mortgage market, making it more difficult for first time buyers in particular to get funding to buy a house.

• This has led to a vicious circle where builders have had to cut jobs or in some cases gone out of business – reducing the number of new homes being completed, and raising the prospect of supply problems in the future.

• Housing was a cause, as well as a casualty, of the credit crunch. We need a housing system that promotes, rather than undermines, sustainable economic growth.

• Demand for rental housing is likely to remain high in the private and social sectors, and can be particularly challenging in some rural areas.

• The scale and type of housing need varies across Scotland. Local government is best placed to measure need locally, but tough decisions will be required nationally about how limited funds will be distributed.

• The population of Scotland is developing more complex needs. As people live longer, the proportion of one-person households will increase and homes will need to be built or adapted to help people, including disabled people, live independently for as long as they wish, and it’s practicable for them to do so.

Join the debate at www.scotland.gov.uk/housingpolicydiscussion
Chapter 1: Scottish Housing Need

1. Housing is recognised in the United Nations’ Universal Declaration of Human Rights, but in Scotland in 2010 we rightly aspire to more than simply bricks and mortar – we aspire to accommodation that meets the needs of our people and enables them to achieve their full potential as individuals and as members of their community.

2. The Scottish Government and local authorities want to enable the operation of a housing system that delivers for everyone. We need to identify the overall scale of need and how this varies across Scotland, and to manage the effective supply of affordable housing to meet it. The following statistics offer a snapshot of housing affordability and need in Scotland, and identify some key trends for the future.

- Mortgage interest payments as a percentage of household income have on average fallen from 17.5% in Q4 2007 to 11.0% in Q4 2009.
- The average deposit for UK first time buyers in 2009 was 25%, up from 10% in 2007. The average age of UK First Time Buyers without parental support has risen from 33 in 2007 to 37 in 2009.
- Approximately 10,000 households are in temporary accommodation. This compares with around 4,000 in 2002, although the upward trend is stabilising.
- Between April and September 2009, councils assessed 21,645 households as homeless.
- By 2033 it is projected that there will be around 345,000 (7%) more people and 481,000 (21%) more households than in 2008 - an increase of 19,000 households per year on average.
- The number of people aged 75 and above is projected to increase by 84% between 2008 and 2033.

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13 Source: CML http://www.cml.org.uk/cml/statistics, Table SC1
14 Source: CML http://www.cml.org.uk/cml/statistics, Table MC2
16 Source: Scottish Government Homelessness statistics: http://www.scotland.gov.uk/Publications/2010/03/23101633/0, Table 12
17 Source: Scottish Government Homelessness statistics: http://www.scotland.gov.uk/Publications/2010/03/23101633/0, Table 5
The Changing Picture of Future Housing Need

3. The economic downturn has had a disproportionate impact on housing. The mortgage market is slowly recovering after shrinking severely but mortgage availability is unlikely to return to previous levels.\textsuperscript{20} With many potential first time buyers unable to gain access to the market, the overall number of private homes started and completed has fallen. A number of house-builders have gone out of business or have had to strike deals with lenders, losing jobs in the process.\textsuperscript{21} Low interest rates have eased immediate affordability, but due to the wider economic downturn, there were 46,000 UK repossessions in 2009, the highest for 14 years.\textsuperscript{22} In other cases, householders who cannot afford to keep up mortgage payments have come to an arrangement with their mortgage company so that they can stay in their homes, perhaps by renting it from the bank.

\begin{center}
\textbf{Repossessed Properties, 1990-2009 - UK}\textsuperscript{23}
\end{center}

\begin{center}
\includegraphics[width=\textwidth]{repossessed_properties.png}
\end{center}

\textsuperscript{21} See: Homes for Scotland, Building for their Future http://www.homesforscotland.com/buildingfortheirfuture.aspx?Site=1
\textsuperscript{22} See Scottish Housing Market Review, Repossessions and Homelessness, Feb 2010. http://www.scotland.gov.uk/chma. There are no separate repossession figures for Scotland. This is a reserved matter, but we will continue to press the Financial Services Authority and the UK Government to take action to require lenders to provide Scottish data, which would help us fine tune our own support measures for homeowners at risk of repossession.
\textsuperscript{23} Source: CML
4. House prices in Scotland are now recovering again at a slow pace but are still below their 2008 peak.\textsuperscript{24} Historically, however, prices remain at a high level.

\begin{center}
\textbf{Percentage Change in House Prices from the Peak (Scotland)\textsuperscript{25}}
\end{center}

5. Despite house prices having fallen from their 2008 peak, tighter mortgage controls have removed the option of owning a home for many aspiring homeowners. In order to put down deposits on properties, first time buyers have increasingly turned to parents and wider family,\textsuperscript{26} reinforcing existing inequalities and reducing mobility between rented and owned accommodation. These problems are not felt uniformly across Scotland, with affordability in Edinburgh and some rural hotspots more stretched than in other areas. The wide variation in average house prices is shown in the following chart.

\textsuperscript{24} As of December 2009 Scottish house prices were 6\% below their June 2008 peak. For a comprehensive review of Scottish house price movements, see the Centre for Housing Market Analysis monthly housing market review. See \url{http://www.scotland.gov.uk/chma}.

\textsuperscript{25} Source: Department for Communities and Local Government

\textsuperscript{26} Source: CML, \url{http://www.cml.org.uk/cml/publications/newsandviews/45/152}
6. With home-ownership pushed over the horizon for many, demand for rental housing is likely to remain high, both in the private and social sectors. Gaining access to housing for rent can be particularly difficult in some rural and high demand areas.  

7. Local authorities are making good progress in working towards 2012 homelessness obligations. Statistics for April-September 2009 show that:

- 9,322 households secured a social rented tenancy as a result of their homelessness application, an increase of 6% over the same period in 2008;
- In five councils, over 90% of homeless assessments were accorded priority, including Angus where 100% were accorded priority;
- In 17 councils, between 80% and 90% of homeless assessments were accorded priority.

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27 Source: Registers of Scotland
30 The Housing (Scotland) Act 2003 commits the Scottish Government and local authorities to a target of according priority to all unintentionally homeless households by the end of 2012, so that each will be offered settled accommodation.
8. Those local authorities who have made most progress have well-designed prevention programmes in place, with joined-up services enabling people to consider options early and reduce the likelihood of them reaching a crisis point requiring them to seek a social housing let. However, some local authorities, despite good prevention efforts, still face considerable supply challenges if they are to make progress against 2012 homelessness obligations, and the proportion of local authority housing lets to homeless applicants has risen to 45%. Meanwhile the numbers of people in temporary accommodation remains too high.31

9. There are real human as well as economic costs from the housing system’s inability to meet high levels of housing need; these contribute to the wider social exclusion problems in, and costs to, our society. For example, we have young adults forced to live at home with their parents despite having reasonable incomes;32 couples delaying having families or limiting their size because they can’t get a home to accommodate children; nearly 4,000 households with dependent children or pregnant women living in temporary accommodation; and children unable to find space to do their homework or access green space easily.33

Housing’s Impact on the Wider Economy

10. The events of the last few years have also revived fundamental questions about the role housing plays in the wider economy. Housing was both a principal cause and a principal casualty of the credit crunch and recession. And accelerating investment in housing has been one of the key channels through which the Scottish Government has supported economic recovery.

11. Developments in the housing market carry significant implications for financial and labour markets, and for the production and consumption of goods and services more generally.34 This is because housing is, for many people, their most valuable asset and/or their most significant item of expenditure.

31 Source: Scottish Government Homeless statistics: [http://www.scotland.gov.uk/Publications/2010/03/23101633/0,Table 12](http://www.scotland.gov.uk/Publications/2010/03/23101633/0,Table 12)
34 It is estimated that 6.1 per cent of post-tax income in the first quarter of 2007 was generated by equity withdrawal. The position has since reversed with the latest figures showing a net amount being injected into housing equity. Source: Bank of England, [http://www.bankofengland.co.uk/statistics/hew](http://www.bankofengland.co.uk/statistics/hew)
12. Recent events have demonstrated how volatility in the housing market can translate into macroeconomic instability. One example of this is house price movements affecting homeowners’ wealth and their ability and willingness to borrow and spend. Arguably, excessive house price growth can result in too much of the nation’s resources being directed towards housing and housing-related goods and services, and away from other productive uses.

13. The Government Economic Strategy describes a framework for enhancing sustainable economic growth through increasing participation, productivity and the population. The housing system has an important bearing on each of these:

- The housing system can enable people to move to places where they can find work opportunities and hence raise participation. Different tenures are associated with different levels of labour mobility – tenants in the social sector and those in owner occupation are on average less mobile than tenants in the private rented sector. Within tenures the relative ease or cost of moving house also impacts on labour mobility, for example stamp duty costs in the case of home ownership; agent letting fees in the case of the private rented sector; or the inconvenience of multiple housing list applications in the social rented sector. Large variations in house prices and rent levels across Scotland can also act as a barrier to movement between areas.

- Improved housing outcomes contribute to improved health and educational outcomes, thereby strengthening productivity; and housing construction is of course a contributor to economic activity in its own right, so more efficient construction techniques, say through modern methods of construction, would also increase productivity directly.

- By responding to and accommodating inward migration, the housing system contributes to population growth.

14. Many of the policy levers available to manage the housing market – for example, in better regulation of lending practices – are reserved to Westminster. There may be more that the UK Government could do, including changes to the taxation system to reduce instability in the housing market, support economic growth, address housing wealth inequalities and ease affordability pressures.35

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35 See for example: Shelter, Rethinking Housing Taxation: options for reform; or O’Sullivan, Castles in the Air (CIH, 2010)
15. Other aspects are within the control of the Scottish housing sector and the Scottish Government. For example a more responsive supply system might reduce the scope for housing asset speculation. More flexible tenure options, backed by better housing advice, might protect households from sudden changes in economic circumstances or house prices. Full implementation of Common Housing Registers in the social rented sector would improve choice and flexibility in the social rented sector.

**Targeting Government Support**

16. Thirty years ago, about half of all households in Scotland lived in socially rented homes. Right-to-buy and changing economic circumstances have shifted the tenure pattern dramatically. Now, only a quarter of the housing stock is social housing and those entering the sector are more likely to be on low incomes or not in work. Many other households on low incomes cannot access housing from the sector and face substantially higher levels of private rents, albeit supported by housing benefit.

17. Over the same extended period, the balance of Government support for housing has shifted. Government expenditure has historically been focused on those households on the lowest incomes and in greatest need, indirectly through capital investment in housing at below-market rent, and directly through housing benefit. Across the UK, however, the balance between these two forms of support has changed. For example, in the case of social housing, housing benefit in 2007-08 represented 85% of the total support, compared with only 59% in 1990-91. More than a fifth of private tenants also receive housing benefit. The balance between these two forms of support is of crucial importance to housing policy, but decisions on housing benefit are reserved to the UK Parliament and Government.

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37 See Wilcox S, UK Housing Review, Table 17a: [http://www.ukhousingreview.org.uk](http://www.ukhousingreview.org.uk); trends were also analysed in Firm Foundations (Scottish Government, 2007)

18. It is also important to recognise the distinctions between different types of affordable housing. Through low-cost home ownership products, the Scottish Government has provided funding for initiatives targeted at households on low to moderate incomes, for example through **LIFT**, our Low-cost Initiative for First Time Buyers. Low cost home ownership initiatives can also enable more mixed-tenure developments in the process (i.e. social housing alongside owner-occupied). The chart below shows that the majority of shared equity purchasers under LIFT have been households in the 3rd and 4th decile groups (i.e. not the poorest fifth of the population but the second poorest). In contrast, the majority of RSL social tenancies were let to households in the poorest tenth of the population.

**Distribution of new RSL (Registered Social Landlords) Lets and Shared Equity Sales**

by income decile group

19. While expenditure on support for home ownership remains relatively small, the tax advantages enjoyed by home owners continue to be substantial and act as a brake on the growth of the private rented sector.\(^{40}\) With public finances constrained, we need to consider how Scottish Government expenditure should be distributed between different groups and tenure types and the extent to which reserved tax and benefit policies support or hinder an efficient and fair housing system.

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\(^{39}\) Source: SCORE database. The columns add to 100% for each category. However, it should also be noted that there were about 30,000 RSL lets in 2008-09, but only 2000 shared equity purchases under LIFT.

20. Estimates of national need for new supply vary, depending on assumptions used.\textsuperscript{41} Moreover, the overall level and type of need varies hugely by area. For example, the map on the following page shows how household growth projections vary across Scotland. Local authorities, supported by housing need and demand assessments, are best placed to measure need locally and the second National Planning Framework\textsuperscript{42} identifies priorities for delivery. With future Government expenditure constrained, tough decisions will need to be made about the relative importance of different types of housing need in driving the distribution of Government expenditure. For example, areas of Scotland with the greatest affordability pressures are typically in the East and some rural areas, whereas regeneration needs are typically greater in the West of Scotland.

21. We have been working with local authorities and will also work with other stakeholders to develop a national picture of need on the back of local assessments. In the meantime, the formation of new households, the need to replace old and failing stock, and the continual geographical shifting of the population, all indicate a need to continue building new homes, both for ownership and for rent. Despite the difficult outlook for public spending and the progress we have already made, we need to continue to build more.

\textsuperscript{41} See Bramley (2005), Local Housing Need and Affordability Model (2005 based), at: http://www.scotland.gov.uk/chma. Bramley provided a central estimate of annual housing need of around 8,000 affordable homes for rent, but with variations from 4,700 to 11,350 under different assumptions.

\textsuperscript{42} Available at: http://www.scotland.gov.uk/Publications/2009/07/02105627/0
Projected percentage change in households by Local Authority area 2008 to 2033

Percentage Change
- Less than 0%
- 0 - 10%
- 11 - 20%
- 21 - 30%
- 31 - 40%
- Greater than 40%

Source:
Unitary Authority: Ordnance Survey Boundary Line
Background mapping: Ordnance Survey
Household change: Household projections for Scotland, 2006 - 2033 - all households. (published by SRSG)
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Communities Analytical Services Division May 2010
A population with more complex and changing housing needs

22. As well as more affordable housing, we also need to produce the right mix of housing to meet the changing needs of society. Our aim is to enable people to live independently in their own homes as long as they wish, and it’s practicable for them to do so. However, with limited resources and rising need, current housing and support arrangements are inadequate. In particular we need to shift the balance of interventions toward preventative support, and away from expensive, and often traumatic, emergency solutions.

23. To meet the challenge of an ageing population, we have established a major programme on Reshaping Care for Older People. Its work on housing and communities has suggested a number of measures to meet the challenge of providing suitable housing and support over the medium to longer term. In particular, it highlights the importance of strategic planning and joined-up working between housing, health and social care services, as well as improving the effectiveness of existing support and developing new and innovative services.

24. There are of course other examples where joined up working is essential to providing a personalised approach to housing. Our strategy for self-directed support reflects the common goals of health and social care policy. To deliver better outcomes for individuals and communities, and in line with Getting It Right For Every Child, we need to ensure that a mix of housing options is available to meet the specific needs of individual young people. In particular, we need to ensure that the housing needs of young people in care are addressed, before they leave care, as part of their pathway assessment and planning.

43 See: http://www.scotland.gov.uk/Topics/Health/care/JointFuture/Outcomes
44 For more information, see http://www.scotland.gov.uk/Topics/People/Young-People/childrensservices/girfec
Questions

- Should the Government aim to focus its spending on those households in the lowest income groups and those most in need through rental products, or continue to try and meet the ownership aspirations of lower and middle income groups?

- What policy measures, reserved to Westminster or devolved to Holyrood, might prevent volatile fluctuations in future house prices and promote sustainable economic growth?

- How could public services and Government funded bodies work better together to improve housing and related services to vulnerable groups?

- What is the appropriate balance between Government support for housebuilding, through subsidies and incentives, and Government support for individuals through housing benefit?
Chapter 2:

examines some new and emerging ways of generating investment in new affordable housing, and asks which of these methods have most potential for the future.
Increasing the supply of affordable housing

- **New models of funding and delivery are essential** if we are to address housing need and ensure that there is a considerable increase in the number of affordable homes.

- This is particularly challenging at a time of public sector spending restraint and in the current economic climate more generally.

- The Scottish Government has worked closely with funders, local government, developers and others to create new funding sources and delivery models but more needs to be done.

- **Imaginative solutions** are needed to bring more money into the system – and to reduce costs. We have to be prepared to think radically, to form effective partnerships and to maximise the efficiency of funding and development.

- **Innovation and increased efficiency** are key to success.

Join the debate at [www.scotland.gov.uk/housingpolicydiscussion](http://www.scotland.gov.uk/housingpolicydiscussion)
Chapter 2: Increasing the Supply of Affordable Housing

1. Before the downturn, housing spending was straining to meet housing need estimates and policy targets. This was despite a record Scottish Government three-year investment commitment of £1.65 billion – since raised to nearly £1.7 billion. The impact of the recession has been to produce new demands on the existing system, together with a future outlook of significantly reduced resources. UK gross public investment is forecast to fall by 25%\(^45\) in cash terms over the course of the next spending review period (from 2010-11 to 2013-14). This will have a direct impact on the capital funds available to the Scottish Government, and local authorities are in a similar financial position.

2. If we are to continue to address housing need in this new financial climate, there will need to be a fundamental change in the methods we employ to finance and deliver new affordable homes. There is little prospect of meeting need if delivery is pursued only through traditional funding models, which are over-reliant on high levels of grant subsidy. This means that new models of funding and delivery are essential. The following statistics set out some of the financial context within which new funding models will need to be assessed, and the table on page 25 summarises the level of support provided for different funding mechanisms currently in practice or development.

- 7,122 new housing association and local authority houses were started in 2009 – the highest number of social housing starts since the 1970s\(^46\)
- Public expenditure on housing\(^47\) as % of total identifiable government expenditure:
  - in England = 2.5%
  - in Scotland = 3.8%
- Revenue from social rent in Scotland in 2008-09 = £1.7bn\(^48\)
- Total expenditure on Housing Benefit in Scotland in 2008-09 = £1.4bn\(^49\)
- Average current Scottish Government grant/loan/guarantee per unit = £58,000\(^50\)

\(^{45}\) HMT Budget 2010 Table C3, p.189, Annex C (http://www.hm-treasury.gov.uk/budget2010_documents.htm)
\(^{46}\) Source: Scottish Government Housing Statistics http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS
\(^{47}\) Source: Wilcox S, UK Housing Review 2009/10, Table 56 http://www.ukhousingreview.org.uk
\(^{49}\) Source: Department for Work and Pensions http://research.dwp.gov.uk/asd/asd4/HBandCTB_expenditure.asp
\(^{50}\) Source: Scottish Government Affordable Housing Investment Programme management data
<table>
<thead>
<tr>
<th>Grant type</th>
<th>Duration (yrs)</th>
<th>Average Scottish Government support per unit</th>
<th>New supply?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HAG</td>
<td>60 +</td>
<td>£70k</td>
<td>Yes</td>
<td>New lets almost wholly to lowest income deciles.</td>
</tr>
<tr>
<td>Council House Building Incentive</td>
<td>60 +</td>
<td>£30k</td>
<td>Yes</td>
<td>Severely constrained by LA borrowing limits. New lets as above.</td>
</tr>
<tr>
<td>Rural housing for rent (pilot)</td>
<td>30</td>
<td>£60k</td>
<td>Yes</td>
<td>Uses short assured tenancies but at social rent levels and targeted at LA nominees.</td>
</tr>
<tr>
<td>Intermediate rent (MMR)</td>
<td>30</td>
<td>£45k</td>
<td>Yes</td>
<td>Currently not on any significant scale. Uses short assured tenancies. Rents at 80% of Market Rent and targeted at economically active but low to moderate incomes.</td>
</tr>
<tr>
<td>NSSE (RSL)</td>
<td></td>
<td>£55k</td>
<td>Yes</td>
<td>Target customers similar to MMR.</td>
</tr>
<tr>
<td>NSSE (developer)</td>
<td></td>
<td>£23k</td>
<td>Yes</td>
<td>Currently being piloted. Target customers as above.</td>
</tr>
<tr>
<td>OMSEP (60%-80%)</td>
<td></td>
<td>£35k</td>
<td>No</td>
<td>Target customers as above.</td>
</tr>
<tr>
<td>OMSEP (70%-90%)</td>
<td></td>
<td>£28k-£33k</td>
<td>No</td>
<td>Target customers as above (subject to ability to afford slightly higher stake).</td>
</tr>
<tr>
<td>NHT guarantee</td>
<td>5-10</td>
<td>£2k-£4k</td>
<td>Yes</td>
<td>Short Assured Tenancies. Rents and targeting largely as for MMR.</td>
</tr>
</tbody>
</table>

**Note:**  
HAG = Housing Association Grant  
OMSEP = Open Market Shared Equity Pilot  
NSSE = New Supply Shared Equity  
NHT = National Housing Trust  
MMR = Mid Market Rent
3. Over the last two years we have worked closely with local government, funders and developers on a range of potential new funding sources and models for increasing the supply of affordable housing, including affordable rental housing. Many of these initiatives are coming to fruition and it is now time to seek wider views on what models have the most potential to meet future housing need in a tighter financial environment. There have also been welcome contributions from housing stakeholders, such as the Chartered Institute of Housing (CIH), which have helped frame the debate.\textsuperscript{51}

4. The remainder of this chapter therefore sets out a number of new models which are currently in use or being considered. There is a wide range of possible approaches and it is important that we identify which of these models, or others, can best serve the Scottish housing system.

5. **Council House Building Incentive** – Through a commitment of £75m grant alongside local authority prudential borrowing of at least £200m, over 3,000 new affordable homes for rent will be built. This initiative has also led to greater collaboration between registered social landlords (RSLs) and local authorities in developing new housing, recognising their relative strengths. The model relies on local authorities having the capability and the capacity to borrow from the Public Works Loan Board. We are working with COSLA and others to put council house building on a firmer long-term footing. We want to see councils able to build on their recent successes and able to participate in, and contribute to, new and existing funding streams wherever possible; supporting councils to provide more housing where their performance merits it.

6. **Leverage models** – These aim to achieve high value-for-money solutions through alternative forms of government support, rather than grants, to create homes at mid-market rent levels while stimulating construction activity and supporting jobs. Major examples are:

   • The National Housing Trust (NHT) initiative. This model moves away from grant funding to mitigating risk on developments. An assessment by the Scottish Futures Trust concluded that a £2-4m Scottish Government guarantee provision could potentially bring up to 25 times that amount from private sources to provide 1,000-2,000 homes while supporting around 1,000 to 2,000 jobs. This proposition is currently being tested further and is expected to proceed to procurement in the summer with the aim of generating around 1,000 homes for affordable rent.

\textsuperscript{51} See for example: Chartered Institute of Housing (2009) ‘Investing in Affordable Housing – A Radical Rethink?’
• Local partnership pilots. Support for local authorities to pilot feasible innovative models for delivering new affordable homes and stimulating construction, particularly where these approaches hold a current or future prospect of opening up access to the private capital markets. A leading example is the model based on a public sector development guarantee devised through a partnership between the Scottish Government, City of Edinburgh Council and commercial and RSL partners. It is planned to test this approach to the delivery of new affordable homes for rent in Edinburgh this year. Other models aimed at achieving greater leverage from public resources are emerging in other parts of the country, including proposals in Glasgow which seek to establish home ownership in priority regeneration areas through an initial phase of affordable rented housing.

7. **Shared equity** – The Government is currently piloting a new variant of new-supply shared equity in partnership with private developers. This model offers the potential to double the number of shared equity homes delivered for a given budget and to provide valuable lessons for future co-investment models with the private sector.\footnote{For more details of this pilot, see \url{http://www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/lift/Developers}} There are other options such as some shared equity projects in Aberdeenshire, where private developers have worked with the local authority to provide affordable housing without grant subsidy.

8. **Co-operative and mutual home ownership models** – As well as revisiting the traditional mutual housing model, approaches could embrace the Community Land Trust (CLT) model where the land on which homes are built is taken out of the market and held by a CLT for the housing and economic benefit of the local community, with financial gains retained and recycled locally.\footnote{See: \url{http://www.communitylandtrust.org.uk}} Through the CLT model, local residents could be able to purchase a home or an equity share in a home by only needing to pay for the costs of the construction (not the land value). The community could retain a stake in the home, in the initial years at least, through their ownership of the land the home was built on. The CLT could potentially also place some conditions on who the owner could sell their home on to in the future. Access to affordable homes in this way and the potential economic spin-offs could, particularly in rural areas, act as an incentive for families and young people to remain in the area. Approaches might also involve financial arrangements which linked residents into the collective value of their homes. These might allow them to benefit from any local house price increases, with opportunities to accumulate equity shares in the value of the homes owned mutually by the residents. Such approaches may also lend themselves to supporting expansion of self-build, beyond existing individual and RSL-managed self-build models.
9. **Housing and Infrastructure Loan Fund** – The Scottish Government has also been considering the feasibility of a Housing and Infrastructure Loan Fund. This would provide loans to developers, who meet strict criteria, to help them pay for the upfront costs of enabling infrastructure (such as roads, sustainable urban drainage systems (SUDS) ponds and decontamination activity) which then facilitates house building and new communities. Loans would be repayable when development proceeds are realised.

10. **Planning Policy, Conditions and Agreements** – Development plan policies, planning conditions and, where appropriate, section 75 planning agreements are increasingly being used to secure a commitment that a proportion of any new housing development is affordable housing. Scottish Planning Policy states that the benchmark figure is that each site should contribute 25% of the total number of housing units as affordable housing, though different percentages may be justified locally through the development plan. In assessing how much affordable housing a development should provide, planning authorities need to take account of the other infrastructure demands related to the development, and the cumulative impact this will have on the development’s viability. Recently, planning agreements have been effectively used in Aberdeen, Aberdeenshire and Edinburgh to provide land or other resources to enable provision of mid-market rent and low-cost home ownership homes without, or with very limited, grant subsidy, while maintaining the economic viability of the overall development.

11. **Innovative Bidding Arrangements** – In order to maximise the benefit of limited public funds, there may be scope for developing a competitive bid process in particular areas. This would need to be a two-stage process if quality issues are to be considered fully. There may be barriers to making such a scheme work, not least the scale necessary to generate sufficient proposals and economies. In the context of the current depressed housing market, however, there are likely to be good value-for-money opportunities worth tapping into. The initial proposal would be to test an approach whereby all interested suppliers, from the RSL, private or public sectors, could bid to provide housing to meet specified needs. The selection criteria would need to include the quality of housing, its affordability and how long it would be available as affordable housing for rent.

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54 Planning Agreements will shortly be renamed “planning obligations”.

12. **Landlords getting more value from existing resources** – The Scottish Housing Regulator has emphasised the need for greater efficiency and improved asset management on the part of the social housing sector.\(^{55}\) Resources released through efficiency can help increase the supply of, and investment in, new homes. We want to work with and encourage housing associations and local authorities to adopt best practice and find the best ways in which to make their resources go further. Some examples worth further consideration include:

- **Reducing costs** – Relatively small improvements in efficiencies on the part of RSLs and local authorities could deliver substantial investment capacity (chapter 5 considers issues around the promotion and application of good practice in more detail).

- **Sharing services, resources and rationalisation of housing stock** – Another approach could be landlords sharing the provision of services and resources and looking at whether the location of their housing assets leads to the effective delivery of services. Sharing of services need not be restricted to housing associations, but could include local authorities and other landlords as well within an area. Taking this a step further, in some circumstances a change of ownership amongst a group of landlords might ensure services are delivered more effectively, based on a joint assessment of where the housing stock is located. Not only might a change of ownership of housing stock help services to be more streamlined and ensure the most cost-effective use of rental income, it could also benefit communities if they are involved in determining and setting local service priorities.

- **Increasing revenue** – In terms of income, the rents paid by tenants play a central role in funding affordable housing. They pay for services to tenants and for improvements to houses and can also allow us to build more homes of higher quality that can reduce fuel bills and bring energy cost savings to tenants. Rents in the social rented sector in Scotland are the lowest in Great Britain. Averaging £50.36 per week for local authorities and £57.36 per week for RSLs, they are typically substantially less than private sector rents\(^{56}\) and are 22% below the corresponding figures for England,\(^{57}\) and represent less than 20% of lower quartile income levels.

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\(^{55}\) Scottish Housing Regulator, Shaping up for Improvement, [www.comunitiesscotland.gov.uk/stellent/groups/public/documents/webpages/shr_socialandlordsinscotland_hosp](http://www.comunitiesscotland.gov.uk/stellent/groups/public/documents/webpages/shr_socialandlordsinscotland_hosp)

\(^{56}\) Although not directly comparable with social sector rents, the Local Reference Rent (the median of market rents for properties of the same size in the same locality) in October - December 2009 was £104 per week.

\(^{57}\) Sources: Local authority average weekly rent data:


• Decisions about efficiencies and rental increases have implications beyond the opportunities they could create for more housing and we must always be mindful of the impact on services and costs for existing tenants as well as potential future tenants currently in other tenures. Tenants in some areas have, however, already shown a willingness to accept higher annual increases in rents where this will bring benefits in terms of improvements in existing and new-built housing\(^{58}\). Chapter 3 considers issues around a fair deal on rents for tenants.

• Improving treasury management – the changed financial climate, combined with new funding options and a broader range of housing products, has implications for RSLs’ treasury management. Current practice would benefit from review with an aim of unlocking resources and making the £300 million in cash and £2.7 billion in housing assets held by the sector work harder.

13. **New sources of finance for RSLs** – The financial crisis has exposed the reliance of the sector on traditional long-term debt finance sourced from a small number of lenders. To increase competition within the finance market and improve the resilience of the sector to future financial shocks, the Scottish Government is keen to generate new sources of funding for the RSL sector. Examples include:

• The European Investment Bank (EIB) has recently allocated £70 million of funds to housing associations in Scotland at competitive rates and the Government is actively exploring opportunities for substantially more funding from the EIB\(^{59}\).

• Bond funding. We are examining bond finance as an alternative to traditional debt finance, to provide a source of secure long-term investment which can match the life span of homes. Since it is difficult and expensive for many Scottish housing associations to source bond funding individually, this would require bringing together the investment requirements of several associations – an approach already adopted by The Housing Finance Corporation (THFC).

• Institutional investment. We are also examining the proposed Welsh housing investment trust and similar models as a possible route for pension funds and life companies to invest in affordable housing; we are considering whether such arrangements would have potential in Scotland. In addition, we are exploring where there is potential for institutional investors to invest more directly into social and affordable housing in the form of an equity share or other form of loan.

\(^{58}\) For example, in 2008 almost 85% of tenants in East Lothian thought it was reasonable for the council to charge a higher rent to tenants who receive new homes, to meet both the cost associated with new build and to continue investment in new build housing. And, in 2010-11 73% of tenants in Midlothian supported the council’s proposed 5% increase in rents as part of a major investment programme in the council’s housing which offers existing tenants the opportunity to transfer to modern, attractive homes as well as funding modernisation of existing council homes.

• A housing investment bank. We are also considering whether there is a role for a new Scottish housing investment bank which could develop funding structures and provide a channel for bond finance, European money and other funding sources. This could offer a platform for wider investment in the social housing sector and it could increase competition amongst existing lenders and improve the financial sustainability of the sector in the longer term. In addition, a new dedicated investment vehicle like this could support retro-fitting of the existing housing stock to meet emissions reduction targets.

• Equity release models. Where RSLs find it difficult to access external funding to invest in new and existing stock, then an alternative approach might be to unlock the considerable equity in their own stock. One idea is that in some circumstances, RSLs might be able to release the equity in their properties by selling a part-share in the houses to existing tenants. That might provide tenants with a financial stake in their home and their communities but, unlike right-to-buy, retain and improve existing stock for affordable housing.

14. Cross-subsidy models – There are many examples of cross-subsidy models based on mixed tenure developments where part of the profits from the sale or rent of market housing is used to support the delivery of affordable housing. Such models are vulnerable to market conditions and require healthy balance sheets and good risk management. Nevertheless, cross-subsidy still offers significant potential to deliver affordable housing at reduced cost, or no cost, to the public purse, and in ways which also favour good design and the provision of housing without obvious physical distinctions between rented or owner-occupied housing. Successful cross-subsidy depends on housing associations utilising their balance sheet strength and making their resources – whether cash or unused security – work harder for the benefit of their tenants as well as the wider community. It might allow investment grants to be converted to loans, and therefore recycled many times to deliver more affordable housing.

15. Reducing barriers to investment – As part of encouraging innovation, the Scottish Government wants to ensure that new approaches to development and infrastructure investment are not hindered by any unnecessary barriers. We have consulted on whether limited amendments to the 20-year residential lease and standard security rules in the Land Tenure Reform (Scotland) Act 1974 could assist in developing innovative funding models and we aim to propose changes later this year.

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60 A Local Housing Fund model, similar to that adopted by the Milton Keynes Development Corporation, is one example. This could combine a bond issue, retail savings or savings from the housing association sector, and a guarantee. The Fund could use the money raised to offer mortgages to help first time buyers or other homeowners concerned about meeting climate change commitments. It could also contribute towards the provision of local infrastructure and affordable housing.

61 http://www.scotland.gov.uk/Publications/2010/03/04140613/0
The Government’s approach

16. The outlook for public and private financing of housing is highly challenging. These challenges will necessitate varied partnership solutions between public, private and not-for-profit sectors, depending on local markets and circumstances. Some opportunities arise because of the current market situation and have the potential to offer upfront cashflow for businesses who need it now. Other approaches are looking to the longer term and offer the potential of tapping into new sources of finance that better match the lifetime of the assets in the housing sector.

17. In considering the merits of new delivery models, in particular those not targeted at the lowest income groups, we need to remain vigilant that need is being addressed, that Government is not crowding-out private activity and that value for money is obtained. In looking at this, the Scottish Government will want to take account of:

- budgetary cost and the level of risk to the public sector;
- the potential scale and deliverability of each initiative and the extent to which it would help in meeting housing need;
- the likely length of time taken to deliver new or renovated homes;
- the initiative’s contribution to the Scottish Government purpose of securing sustainable economic growth, for example through supporting jobs; and
- any benefits in supporting other Government priorities, such as helping to tackle climate change or delivering sustainable, mixed communities.
Questions

- Which funding and delivery models have the most potential to meet housing need cost-effectively?
- How can we best use tightly constrained public funding to bring in additional resources for housing?
- Should Government spend less on building and improving social houses and more on providing the underlying and supporting infrastructure?
- What other barriers to new funding and delivery models need to be removed?
focuses on the existing stock, and asks how we might make more flexible use of these assets to support greater choice and better housing outcomes for all.
We must make **better use of the existing housing stock** if we are to meet housing need – even relatively small improvements here could make a big difference in **increasing capacity and choices** for households.

Currently the system is not working as well as it could. There is a mismatch in supply and demand, with some homes empty or under-occupied and others over-crowded.

More action needs to be taken to improve people’s choices across all parts of the housing system.

We need to make better use of rental stock – including investigating the options of using financial and other levers, and perhaps new forms of tenancy, to match supply and need.

We need to find **innovative ways** to make better use of private housing stock – including second homes and vacant properties.

We want to support people to live independently in their own homes for as long as they wish, and it’s practicable for them to do so.

Join the debate at [www.scotland.gov.uk/housingpolicydiscussion](http://www.scotland.gov.uk/housingpolicydiscussion)
Chapter 3: Choice, Fairness and Making Better Use of Housing

1. Removing obstacles to housing development and developing innovative ways of delivering new affordable housing is necessary but this alone will not be enough to address housing need. Even when housebuilding was at its peak, only about 1% of new dwellings were added to the total stock each year.\(^{62}\) So, small improvements in the use of the existing housing stock are as important as new supply in both increasing housing capacity and delivering choices for households that better meet their needs.

2. The following statistics shed light on the current system:

- There are around 71,000 empty homes in Scotland across the private and social sectors. There are also a further 37,000 properties that are second homes.\(^{63}\)
- About 2% of owner-occupied stock (30,000 dwellings) is over-crowded. 4% of the social stock is over-crowded (26,000 dwellings).
- Around 75% of all dwellings in Scotland have more bedrooms than required by the inhabitants to meet the bedroom standard (61% in the social sector and 81% in the private sector).\(^{64}\)
- 22% of homes in the social sector have at least two more bedrooms than the inhabitants require to meet the bedroom standard – as do 51% of homes in the owner-occupied sector.\(^{65}\)
- Housing association rents vary from £52 per week in the Scottish Borders to £63 per week in East Renfrewshire. Council rents vary from £39 per week in Moray to £60 per week in Edinburgh (2008-09 figures).\(^{66}\)
- Private sector rents vary even more across the country. The Local Housing Allowance,\(^{67}\) based on market rates, varies from £75 per week in the Borders to £121 in Aberdeen and Aberdeenshire.
- Between April and September 2009, councils assessed 21,645 households as homeless, out of 29,050 applications. 84% of households assessed as homeless were accorded priority, compared to 79% for the same period in 2007.\(^{68}\)

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\(^{63}\) Source: CTAXBASE, Scottish Government

\(^{64}\) Source: Scottish House Condition Survey

\(^{65}\) This is based on the bedroom standard, which takes into account relationships in the family, and the ages and sexes of any children. Source: Scottish House Condition Survey, [http://www.scotland.gov.uk/Topics/Statistics/SHCS](http://www.scotland.gov.uk/Topics/Statistics/SHCS)


\(^{67}\) Source: [https://ha-direct.voa.gov.uk/Secure/Default.aspx](https://ha-direct.voa.gov.uk/Secure/Default.aspx) Based on a self contained 1 bedroomed property

Improving Choice

3. It is important that in all sectors of society, people can exercise a degree of choice over their housing. They should be able to influence where they live, to be close to work, family or social groups; and should be able to secure the type of dwelling that is affordable and which meets their needs. While choice will always be constrained by what is feasible, one of the hallmarks of a successful system will be the extent of the flexibility it provides, within and between tenures.

4. In the owner-occupied sector, the housing market already enables most households to consider a range of home-ownership options, in accordance with their budget. Home Reports have improved the information available to prospective buyers and are helping owners to be more aware of the condition of their property when selling or buying.

5. The economic downturn and the restricted mortgage market has also encouraged developers, sometimes working with lenders, to offer new products for first time buyers, including shared equity and rent to buy products. The latter schemes can give households the opportunity to rent their home first, with an option to buy later at a fixed price. Such innovations are very welcome and will hopefully become a long-term part of the development business model rather than simply a response to the current crisis. However, these private sector led options remain out of reach of many lower-income households. Market systems alone will not resolve this basic affordability issue. For these groups, the Government has been working in partnership with local authorities, registered social landlords and developers to create subsidised products including the Low-cost Initiative for First Time Buyers (LIFT), Open Market Shared Equity Pilot and New Supply Shared Equity trial with developers, and intermediate rent products. These LIFT shared equity schemes are having a helpful impact on reducing housing lists. 37% of households who purchased a property through LIFT’s two shared equity schemes were previously on a housing list, and 15% of LIFT purchasers were previously renting a property from a Council or Registered Social Landlord.69

6. The private rented sector provides further flexibility and choice for a diverse range of tenants. For most tenants, the sector provides a good level of diversity, and this is one of the reasons why we would like to see its role strengthen. Research has recorded large differences in labour mobility – how easily people can move for work – between tenures, with private renting being the most flexible and social renting the least. Labour mobility plays an important role in removing constraints on economic growth yet compared to other countries the private rented sector is small in the UK.70 The small scale of the Scottish

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69 Source: LIFT monitoring database. The 37% and 15% used in this paragraph are not mutually exclusive
www.bis.gov.uk/files/file32669.pdf
sector was also highlighted in the Review of the Private Rented sector, published last year, with many debt-based private landlords with small portfolios unlikely to show interest in expansion. This may leave the sector vulnerable to adapting to increases in demand if, for example, the economic downturn and retraction of mortgage lending was to have an impact not just on landlords but also on the prospective number of tenants wanting to rent.

7. Larger-scale institutional investment would support the growth of the private rented sector, might encourage growth in the availability of longer-term tenancies and improve its sustainability. However, the way in which stamp duty land tax is charged hampers investment by large scale investors. We also believe that the rules governing residential real estate investment trusts (REITs) are overly complex and that the UK Government should work with property professionals to look at a restructuring and simplification of residential REITs as a means of attracting investment in the sector.

8. In a similar fashion, it is important to apply the principle of choice to the social sector as far as possible – not least because the evidence suggests that choice can encourage more sustainable tenancies. Accessibility and transparency have been improved in many local authorities through development of Common Housing Registers (CHRs). These enable households to register on the housing list for an entire local authority area rather than register separately with each landlord. Moray and Aberdeenshire local authorities have gone a step further and are developing a CHR across their borders to maximise options for prospective tenants. Edinburgh City Council has introduced a choice-based letting system on the back of the CHR, allowing applicants to bid for up to three properties each week.

9. We have recently published guidance on CHRs and provided funding for a support service. There is no reason now why rapid progress in delivering CHRs cannot be made so that in every local authority area there is a single access route for applicants seeking housing, information or advice, as well as a single database of all applicants. Tenants and prospective tenants across all of Scotland deserve to benefit from the improved access and transparency that CHRs offer.

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71 See: http://www.scotland.gov.uk/Publications/2009/03/23153136/0
72 See: http://www.hm-treasury.gov.uk/consult_investment_private_rented_sector.htm
73 Heriot-Watt University and BMRB, Monitoring the Longer Term Impact of Choice Based Lettings, October 2006
74 http://keytochoice.scotsman.com/
10. We would also like to see greater innovation to widen the field of options to new and existing tenants. That means greater collaboration between housing associations and local authorities to ensure that as far as possible allocation mechanisms work in the interest of tenants and prospective tenants. Social landlords can already recognise local connection in allocating social housing, for example when an applicant wishes to return to an area where he or she was born and where family members live. However, if administrative procedures and boundaries are not flexible to the changing circumstances of tenants, then there is a risk that they might restrict employment opportunities or undermine family and support networks. In time, one option might be to develop a national housing list so that a single application could indicate a request for housing in a number of different local authority areas. This would help to maximise tenant choice and could also address the issue of applicants appearing on more than one housing list and the consequent unreliability of aggregated housing list numbers as an indication of national demand.

**A More Personalised Service: Housing Options Approach**

11. Scotland has a homelessness target to ensure that by 2012 all unintentionally homeless households will have the right to settled accommodation. Local authorities are working with partners in the RSL, private and voluntary sectors to deliver it. Local authorities are developing approaches to early intervention in order to prevent homelessness where possible, and if not possible, to discuss fully the options that are available to a household, including making a homeless application.

12. A similar approach could be applied to support people facing different types of housing issues at various stages of their lives. The increasing variety of public-supported and private housing options brings with it greater complexity and a need for clarity over which government-backed options might be available for whom. A more proactive and planned approach to housing advice could be developed, based around a ‘housing health check’ at key stages of a person’s life. Together with an adviser, an individual might go through their current housing situation, including what they might be looking for in the future (e.g. adaptations, moving into a different tenure or staying in the same property but changing the tenure) and how they might get there. This could sit alongside products or schemes that make it easier for people to increase or decrease their ownership share of the property in line with changing household and economic circumstances, or arrangements with the private rented sector. Some housing co-operatives have developed working models in this area, with good results, albeit for small numbers of households.76 This approach might enable better targeting of government support and allow households to shape their housing future and gain a financial stake in housing appropriate to their circumstances.

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76 Commission on Co-operative and Mutual Housing, Bringing Democracy Home: [www.ccmh.coop](http://www.ccmh.coop)
13. This type of approach is already being considered in some local authorities in Scotland. In April, Perth and Kinross launched a housing options approach including developing personal housing plans to look at the full range of options available, not just the social rented sector. This brings advantages in involving a broader, more personalised service, which has at its heart customer choice and can deliver a better use of stock across all tenures. This could help households to make decisions on the choices available for them when their options are maximised, rather than later or closer to a crisis, when the options may have become more limited. Housing options advice could also look at other linked issues such as maximising access to employment opportunities, the geographical factors that might limit or extend options, the role of support (including housing support) and supported accommodation.

A Fairer Deal on Rents

14. Greater transparency on rent levels across Scotland would benefit tenants, particularly those who wish to move to find work or live near family. In the case of the social sector, rents vary across Scotland and between social providers, but there is little underlying rationale for this. Rent levels are set by individual landlords and differ significantly: for example the average weekly Housing Association rent in 2008 was 15% above those for tenants of local authorities. Rents also vary according to where tenants live. In 2008-09, average housing association rents varied from £52 in the Scottish Borders to £63 per week in East Renfrewshire. Council rents varied from £39 in Moray to £60 in Edinburgh.

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15. As the Scottish Housing Regulator stated in ‘Shaping Up for Improvement’: \(^{80}\)

‘Rent levels and structures show little coherence across landlords and even within a landlord. There is often little relationship between the rents tenants pay and the quality of the home, service or location they get.’

16. Issues of fairness are particularly stark when comparisons are made with private sector rents. Here, the typical (median) household spends nearly 30% \(^{81}\) of its income on housing costs. Indeed, one sixth of private renters spend more than half of their income on housing costs. \(^{82}\) To a large extent variations in private rents and house prices simply reflect differences in the quality of the house, economic conditions and the relative attractiveness of the area, but by improving the overall responsiveness of housing supply to house

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79 Source: Local Authority Housing Income & Expenditure Tables, Scottish Government and Scottish Housing Regulator
80 Available at: [http://www.communitiesscotland.gov.uk/stellent/groups/public/documents/webpages/shr_sociallandlordsinscotland_hcsp](http://www.communitiesscotland.gov.uk/stellent/groups/public/documents/webpages/shr_sociallandlordsinscotland_hcsp)
81 This compares with 20% for a local authority tenant and only 11% for a homeowner with a mortgage, though there are, of course, very substantial variations between different households in all tenure types. Source: DWP Households Below Average Income dataset 2007-08 – [http://www.dwp.gov.uk/asd/hbai.asp](http://www.dwp.gov.uk/asd/hbai.asp)
prices, affordability problems in the market sector can be alleviated. A large proportion of private tenants are on low incomes and many are on waiting lists for social housing but unlikely to gain entry soon due to lack of supply.

17. The Scottish Government’s levers over rent levels and structures are limited, and there are reasons why responsibility for rent setting should stay with landlords and tenants to maintain local accountability and encourage sensible asset management. However, consistent benchmark rents are used in calculating Housing Association Grant, and we have recently adjusted these for remote areas to reflect lower average incomes and/or higher living costs which often apply there. In chapter 2 we set out how increases in rents could contribute to our ability to build more houses, but there is a balance to be found and rents must remain affordable.

Making Better Use of the Existing Stock

Giving social landlords more control over their housing stock

18. Making better use of the existing rental stock has an essential role to play in providing low-cost affordable homes for families who need them. We are already taking action to check the loss of social housing stock through right to buy. Proposed reforms set out in the Housing (Scotland) Bill will potentially safeguard 10,000 to 18,000 lets between 2012 and 2022. We are open to suggestions on what further measures might be taken to support our aim of maximising the number of homes available for rent, balanced with the needs of tenants now and in the future.

19. With Scottish Ministers’ consent, local authorities can dispose of housing assets at, or sometimes below, market value. At the moment, such disposals take place at the request of individual councils on an ad hoc basis i.e. usually when a buyer approaches the council, which then considers its position and applies to the Scottish Ministers for consent if it wishes to sell. One option might be for local authorities to compile a ‘real time’ register of assets from which prospective purchasers could select one or more assets and make a bid for them – perhaps by auction to maximise receipts. A further possibility is for the Scottish Ministers to give up their role in providing consents, subject to a requirement that assets are sold at prices that maximise the receipts that can be recycled into investment for benefit of tenants. This would effectively allow the council a ‘Power to Dispose’ of assets (whether land, dwellings or any other assets) as part of a proper strategic approach to disposing of assets which are surplus to requirements.
20. In the case of RSLs, the consultation\textsuperscript{83} on the draft Housing Bill published in April 2009 asked for views on the options for streamlining consents for disposals by RSLs. Those respondents who commented on this were broadly content with the existing approach. We remain open to views on existing arrangements, however, and would welcome suggestions for streamlining the consents process by removing unnecessary barriers.

\textit{Vacant homes, under-occupation and over-occupation}

21. Empty or vacant homes form one area where we are making better use of the existing rental stock. Where housing is no longer fit for purpose, in some cases the best option is demolition, and social landlords have significantly reduced the number of vacant unsuitable properties over recent years. However, in other cases, rather than demolish vacant housing stock, there may be merit in refurbishing hard-to-let houses. We are working with social landlords, asking them to look at their stock and consider if they have houses that could be refurbished and sold at an affordable price to low-income families. East Ayrshire Council is currently tendering for a contractor to redevelop 48 houses in Dalmellington which may provide a good example of this practice. In terms of housing that has already been let, the co-existence of over-crowding in some parts of the social rented sector with under-occupied housing elsewhere presents further opportunities to match household needs better with the housing stock.

22. Some local authorities such as East Lothian offer grants to council tenants who wish to move to a smaller property owned either by the council or by a housing association. This payment aims to encourage tenants who are living in properties that are too large for their needs to downsize, freeing up family accommodation for those who need it. Later this summer, we will publish a practical guide to social housing allocations, providing examples of existing practice in this area.

23. In considering how we can make better use of existing stock, it may be worth drawing on previous experience of the Tenants Incentive Scheme. The scheme, which ran throughout the 1990s, gave a grant to the tenant of an RSL (and some Local Authorities) to help them to purchase a different house from the one which they were currently renting. This covered a dual objective of meeting tenants’ home ownership aspirations and assisting others by freeing up a house for rent.

\textsuperscript{83} See: http://www.scotland.gov.uk/Publications/2009/04/27095102/0
A more flexible approach to social tenancies?

24. For social renters with access to considerable assets there is, however, little incentive to leave and free up social lets to those in greater need on housing lists. While social housing is concentrated among lower income groups, and around two-thirds of tenants are in receipt of housing benefit, some 20% of households in the sector have above average incomes (see chart below). At the same time other poorer households excluded from social housing are reliant on the private rented sector, where rents are typically much higher and, through the operation of the housing benefit system, work incentives are blunted.84

Tenure by Income Decile Group85

25. We do not want to impinge upon existing tenants’ rights, but with the more mobile and fluid household structures of today’s society, and changing economic circumstances, it is also worth thinking about whether there are other approaches we should be considering.

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85 Source: Scottish House Condition Survey, Scottish Government
It is notable that Scotland (and the UK) is one of very few countries which have no formal restriction of eligibility for social housing based on income. More flexible tenancies which may include tenancies of varying duration, or being able to take income into account when allocating social housing or even in determining how much rent is paid could be more effective ways of addressing more people’s housing needs and aspirations. This might mean, for example, some tenants paying additional charges for enhanced services.

26. Any changes would need to consider not only the potential benefit in terms of extra capacity in the social housing system to accommodate households in high need, but also the impact on the mix of our communities and work incentives. By increasing housing options as well as the supply of affordable housing a broader range of needs could be met by social housing providers, supporting more mixed communities.

Issues for the private sector

27. While much can be done to improve the match between supply and need in the social sector, 75% of vacant stock is in the private sector. In many places this reflects lack of demand in the area or the property. Elsewhere, however, vacant properties sit within areas of high housing need. The Government welcomes existing initiatives in this area and is keen to explore with councils what initiatives they might wish to explore to encourage owners to make their empty properties or second homes available for rent or temporary accommodation. We recently published a study of possible initiatives to bring empty houses back into use in the private rented sector to boost housing supply and meet a range of housing needs. We are also providing funding to Shelter Scotland to establish a national empty homes resource to work with local authorities in developing strategies to bring empty homes back into use.

28. One such strategy is the Rural Homes for Rent (RHfR) pilot. The first bidding round of RHfR resulted in our support for 12 pilot projects; 75 homes for private affordable rent will be provided as a result across a number of remote rural areas in Scotland. We are committed to a second round of RHfR with the intention of attracting a broader range of applications, including those from land-owning community organisations in areas where provision by other social landlords is constrained. In addition, we intend to expand the scheme to include the renovation of empty properties which are in need of repair and would permit them to be brought back into use as affordable housing.

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86 Other countries with no formal restriction are Sweden and Denmark. Source: Whitehead & Scanlon (2007) Social Housing in Europe; Whitehead & Scanlon (2008) Social Housing in Europe II. It is currently prohibited under section 20 of the Housing (Scotland) Act 1987, as amended by section 10 of the Housing (Scotland) Act 2001, for RSLs or Local Authorities to take income into account in allocations.

87 See http://www.scotland.gov.uk/Publications/2009/03/23135229/0
29. In some cases, private sector houses are lying empty because they have been allowed to fall into a state of disrepair leaving them unfit to be lived in. Owners are responsible for looking after their own properties, and local authorities have new powers to take action where they fail to do so. The Housing (Scotland) Bill contains minor amendments to improve these powers, and if further amendments were identified they could be considered within the context of the proposed private housing bill. Authorities also have a duty to ensure that housing which is below the tolerable standard is dealt with – by ensuring it is either brought up to standard, or is closed or demolished so that it cannot be used as living accommodation in its current state.

30. In some areas, particularly rural areas, high levels of housing need sit alongside high levels of second home ownership. Circumstances will vary, but in developing our approach to fairer local taxation there may be a case for examining the contribution second home owners make towards increasing local affordable housing supply. For instance, we might allow local authorities greater flexibility, including above current levels, in setting the council taxation rate for second homes (and long term empty homes), reflecting housing pressures in their area. Or we could allow councils to ringfence higher amounts of tax raised on second homes and long-term empty properties for investment in affordable housing (currently around £17m of the £50m collected each year is spent on affordable housing provision).

Housing and Support for Independent Living

31. We want to enable people to live independently in their own homes for as long as they wish, and it’s practicable for them to do so. To meet our aspirations for independent living, we need to ensure that new build housing meets the needs of disabled people as well as an ageing population. The Wider Planning for an Ageing Population report noted the tensions between meeting the needs of older and disabled people (who would benefit from higher space standards and more single storey buildings) and other housing priorities (such as increasing the number of units for the investment made and meeting energy efficiency targets).

32. As the population is ageing and a significant number of people are living with limiting long-term conditions, we need to consider whether current building standards meet needs. In May 2007, revisions to building regulations introduced a range of measures to improve accessibility and ease of use in all new homes. These take a more inclusive

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approach to design, incorporate much from the concept of ‘Lifetime Homes’,\textsuperscript{89} and complement current ‘Housing for Varying Needs’ standards in social sector housing for delivery of ‘barrier-free’ homes. We now need to consider whether common standards covering all tenures would simplify the design and construction processes, and enable households to move more easily between tenures. The adoption of common standards might also ensure that all new build homes are easily adaptable and remain suitable for their occupants as they age or become less mobile.

33. We also need to develop new ways of providing support, including making best use of new and existing technologies such as telecare, sharing local best practice (for example between agencies such as social work, Care and Repair, NHS etc), and making best use of the new duty on local authorities to provide support for disabled adaptations. From 1 April 2009, the duty on local authorities to provide assistance to private home owners was streamlined and made more transparent by amending regulations to require a minimum 80% grant for eligible disabled adaptations. Adaptations can enable people to stay within their own homes, but with an ageing population there is likely to be an increase in the number of people applying for this support. This is likely to increase pressure on limited funds, and we need to make sure that the best use is being made of all available sources of finance across housing, health and social care. We also need to consider the scope for home owners and RSLs to bear more of the financial burden, and how we can streamline funding arrangements for adaptations. Innovative ways of identifying and releasing funding may need to be found, such as equity release as currently being piloted by Glasgow City Council.

34. Although we would wish to see an increase in building of new specialist housing, we also have to recognise that the vast majority of older and disabled people will continue to live in existing housing (whether specialist or mainstream). The constraints on public expenditure expected in the next few years will also limit the amount of new specialist housing that can be built. We therefore need to focus particularly on improving access to support and adaptations in existing mainstream housing, and make best use of the existing sheltered housing stock. The Wider Planning for an Ageing Population report recognised that although some of this stock is now unfit for purpose, due to outdated design, it could still play a useful role with remodelling.

35. We will also work with local authorities to ensure the new financial constraints don’t lead to inappropriate reductions in low-level prevention-focused housing support services. For many older and disabled people, the small amounts of help provided by such services can

\textsuperscript{89} ‘Lifetime Homes’ are ordinary homes which incorporate sixteen design criteria to make housing more functional for everyone, including families, disabled people and older people. They include future-proofing features which enable cheaper and simpler adaptations to be made when needed.
make the difference between sustaining independent living at home and moving into a care setting. We will be working with stakeholders to investigate what more local communities can do themselves to support their more vulnerable members, and whether non-subsidised social enterprise business models, funded in part through charges to customers, provide another way of maintaining the low level support and handyperson services that are valued by so many, but potentially at risk in times of financial constraint.

36. Greater engagement with the private sector will also be important, both in terms of the provision of new build and of services. As expectations and aspirations increase, consumer choice will become increasingly important in the public and private sectors, bringing new challenges for both.

37. The challenges will be especially significant in relation to accessible housing for independent living; disabled people face particular barriers in the availability of suitable housing and related support services and this limits their choices when considering moving to a different location. The Scottish Government, COSLA and Independent Living in Scotland Steering Group published a joint statement on independent living in December 2009 which highlighted the importance of providing fairer housing opportunities for disabled people, where possible based around solutions jointly developed along co-production principles.90 We therefore look forward to working with disabled people and representative organisations to consider what more the Scottish Government and others can do.

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90 See: http://www.scotland.gov.uk/Publications/2010/03/29164308/1
Questions

• How can we move to a ‘housing options first’ approach, across tenures, so that households can plan for the future and avoid housing crises and homelessness?
• What further restrictions in tenants’ right-to-buy or increases in social landlords’ powers to dispose of social rented stock would help social landlords provide a better service to all tenants?
• What ideas do you have for enabling households to change tenure more flexibly or adjust their financial stake in housing whilst staying in their existing homes?
• How might we make progress in improving the fairness of rent structures across the housing system?
• How can we make sure that rents remain affordable for existing tenants but also build more homes for future tenants?
• How could investing in the private rented sector be made more attractive to institutional investors, such as pension fund managers and life insurance companies?
• How can we balance the interests of existing and prospective future tenants by ensuring better and more flexible use of available social rented stock?
• How could the housing system be reformed to encourage greater participation in the labour market?
• How can we work to ensure that vacant or second homes in the private sector contribute more towards meeting local housing need – either in the private rented sector or as affordable housing?
• To what extent should individuals be financially responsible for meeting their own support needs and housing adaptations as they grow older and to what extent should the state support them?
• To what extent should RSLs be expected to meet the cost of adaptations to their stock from their overall rental income, in line with what we expect of Local Authorities? Do current building standards in Scotland meet the needs of an ageing population, and would common standards across tenures make a difference?
Chapter 4:

raises the key issue of the quality of our homes and of the places we create, including the major challenge of reducing carbon emissions.
Sustainable quality houses and places

- Good quality homes in decent environments are important to our health and wellbeing and contribute to stronger, safer communities.

- We face a huge challenge in meeting our new emissions reduction targets, particularly our interim target for 2020 requiring a 42% reduction in emissions.

- We have made good progress in improving the quality and sustainability of housing and neighbourhoods but more needs to be done.

- We want developments to deliver quality homes in well-designed communities to enable people to flourish.

- We need to harness everyone’s efforts – including planners, developers, communities and householders, to improve our living environments.

- Making housing and places more sustainable will create green jobs and help to support Scotland’s green industries – reducing unemployment and benefiting the wider economy.

Join the debate at www.scotland.gov.uk/housingpolicydiscussion
1. Housing is more than just about providing a roof over our heads. Good design and planning of our neighbourhoods provides attractive places for us to live and work, and contributes to stronger and safer communities. Likewise, good quality homes make an essential contribution to our health and wellbeing, and reduce the environmental impact of our activities.

2. This section considers how we can continue to improve the quality of our homes and their surroundings, focusing on three aspects of this – housing quality, neighbourhood design, and climate change.

- 91% of people either ‘very satisfied’ or ‘fairly satisfied’ with their housing. Satisfaction in the owner occupation sector is higher than all the rented sectors.91
- Around 36% of the housing stock in Scotland passed the Scottish Housing Quality Standard in 2008, compared to 25% in 2004/05.92
- Fuel poverty93 has almost doubled between 2002 and 2008, rising from 13.4% of households to 26.5%.94
- 67% of properties in the social sector have a National Home Energy Rating (NHER) of ‘good’ compared to 43% in the private sector.95
- 25% of total greenhouse gas emissions in Scotland96 derive from domestic energy use.
- The cost of meeting a 42% reduction in emissions from housing by 2020 (excluding emissions from electricity) is estimated97 to be about £16 billion, though estimated fuel bill savings are higher than this total investment over the lifetime of measures.
- 23% of people living in the 15% most deprived areas of Scotland rate their neighbourhood as a very good place to live, compared to 52% of people overall.98
- The cost of disrepair among:99 owner occupied stock = £4.2bn
  private rental stock = £800m
  social rental stock = £1.65bn

91 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
92 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
93 A person is living in fuel poverty if, in order to maintain a satisfactory heating regime, they would be required to spend more than 10% of their household income (including Housing Benefit or Income Support for Mortgage Interest) on all household fuel use.
94 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
95 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
98 Source: Scottish Household Survey http://www.scotland.gov.uk/Topics/Statistics/16002
99 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
Housing Quality

3. In recent years, the quality of Scotland’s housing stock has continued to improve and standards of housing are typically far superior to those prevailing a generation ago. However, much remains to be done.

4. In the case of social landlords the quality of social housing has improved over recent years with the proportion of properties passing the Scottish Housing Quality Standard (SHQS) rising from about 25% in 2004-05 to 39% in 2008. All social landlords have developed delivery plans setting out how they will fund and implement measures to meet the SHQS for their housing stock by 2015. The Scottish Housing Regulator will monitor the progress of landlords against these plans. We are also developing guidance to help landlords interpret SHQS more easily and target their SHQS activity more cost effectively.

Number of Households Passing and Failing the Scottish Housing Quality Standard

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004/05</td>
<td>Pass 500,000</td>
</tr>
<tr>
<td>2005/06</td>
<td>Pass 1,000,000</td>
</tr>
<tr>
<td>2007</td>
<td>Pass 1,500,000</td>
</tr>
<tr>
<td>2008</td>
<td>Pass 2,000,000</td>
</tr>
</tbody>
</table>

100 99.8% of houses had exclusive access to a bath and WC in their accommodation in 2001 compared to 86.3% in 1971 and compared to 65.6% having exclusive access to a WC and 51.1% having exclusive access to a bath in 1951. Source: 2001, 1971 and 1951 censuses.


102 Source: Scottish House Condition Survey
5. Stock quality is on average poorer in the **private rented sector**, and we are working to improve quality through a range of initiatives including the repairing standard, which allows tenants to enforce repairs through the Private Rented Housing Panel. We are encouraging best practice through our voluntary national landlord accreditation scheme. We want to encourage private landlords to take up available grants, loans and tax breaks to improve their properties. Our Scottish Private Rented Sector Strategy Group is working to improve the quality of the sector and has already made recommendations for legislative change. The Group has set itself a long term work plan to look at these issues in greater depth, and is open to ideas on how they can be addressed.

6. The quality of **owner occupied stock** varies considerably, with many homes in very good condition but others in significant disrepair. Existing powers are designed to allow local authorities to take action to ensure that properties are repaired to a reasonable standard. A particular issue is whether these powers should be extended to allow authorities to require owners to bring properties up to a higher standard, by requiring them to contribute towards communal improvement works in mixed tenure situations, for example where these are required for the block to meet the SHQS. If there is support for this, it could potentially be included in a proposed private housing bill to be introduced later in 2010.

**Flourishing and Sustainable Places**

7. Over the last few decades, we have learnt a great deal about what makes a successful, attractive neighbourhood. We have turned away from the mistakes of the past, in the form of large estates with few facilities, and the high rise blocks of the 1960s and 1970s. Modern neighbourhood design rightly places a much greater emphasis on mixed-tenure housing stock, local facilities, transport and small scale community spaces. These have been increasingly important factors both in regeneration and in development of new communities.

8. Recent research has shown the positive role planning policy has played in promoting mixed communities through requiring a percentage of affordable housing on market housing sites, implemented if necessary by conditions attached to the planning permission, or in some cases, planning agreements. Arguably, the application of the right-to-buy has also broken up some single tenure estates, albeit in a way which has led to a greater concentration of poverty in less attractive housing stock.

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103 Source: [http://www.scotland.gov.uk/Topics/Built-Environment/Housing/PrivateRenting/RepairingStandard](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/PrivateRenting/RepairingStandard)

104 Source: [http://www.prhpscotland.gov.uk/prhp/121.html](http://www.prhpscotland.gov.uk/prhp/121.html)


106 The consultation on our Private Housing Bill closed on 19 April, and responses are now being considered - [http://www.scotland.gov.uk/Publications/2010/03/04140613/0](http://www.scotland.gov.uk/Publications/2010/03/04140613/0)
9. Delivering high quality, sustainable places has become more challenging during the economic downturn because it is harder to secure contributions to the community from new private housing and business developments. Consequently, there is now a risk that increased demand for social housing coupled with lower returns on sales of private housing (including in regeneration areas) will lead to the creation of more socially segregated housing. There is also a risk that brownfield sites will be less financially viable and therefore not redeveloped, with negative effects on the vitality of existing built-up areas and creating pressure for unjustified greenfield development.

10. However, despite the constraints on resources, we want new developments to deliver quality homes within well-designed communities, creating the types of living and working environments that enable people to flourish. Anything less would be a false economy. We continue to promote design quality in development. For example:

- The Scottish Sustainable Communities Initiative aims to highlight developments which are capable of achieving exemplary design and environmental standards, showcasing architectural and design skills in Scotland.\(^\text{107}\)

- Fresh guidance (Circular 1/2010: Planning Agreements\(^\text{108}\)) has been issued on the use of planning agreements. This reaffirms that proposals must meet certain conditions, including meeting planning needs. The circular also emphasises the need to consider the financial viability of a development and promotes the use of staged or deferred payments, as the development progresses. This ensures a balance between the need for additional infrastructure and easing the burden on developers in a challenging economic climate.

- We intend to consult shortly on secondary legislation required to implement provisions which will make changes to the legislative framework around planning agreements (or obligations as they will become known) with a view to implementing provisions before the end of this year. The provisions include: where work required by a planning obligation is not undertaken as agreed, planning authorities will have the power to carry out such work themselves and recover costs and expenses from the responsible person; provisions to allow landowners/developers to enter into unilateral obligations; and the creation of a formal mechanism for the modification or discharge of an obligation should circumstances change.

\(^{107}\text{Source:}\) http://www.scotland.gov.uk/Publications/2008/06/25093645/0

\(^{108}\text{See:}\) http://www.scotland.gov.uk/Publications/2010/01/27103054/0
11. Integrating the principles of good place-making is key to delivering successful, sustainable communities. Such principles have recently been promoted through a Scottish Government pilot project, focusing on a residential streets project at Polnoon, Eaglesham village. The project is being developed in partnership between house-builder Mactaggart & Mickel and East Renfrewshire Council. It is designed to take the Government’s design advice and turn theory into reality, with the long term ambition of building a ‘Conservation Area of Tomorrow’. The pilot project seeks to demonstrate what can be achieved when we challenge the way we think about streets, public spaces and housing design. The timing of this project has been further supported by the recent launch of *Designing Streets*. This is a new policy document which puts place and people before the movement of motor vehicles. The overall outcome is to illustrate how well-designed streets can enhance our lives and the environment.

### Meeting our Climate Change Obligations

12. The energy efficiency of our homes is a particularly important aspect of housing quality. Making use of modern, efficient, sustainable energy sources to heat our homes, and high quality insulation, can keep people warm and comfortable, check the growth of household energy bills and at the same time contribute to reducing carbon emissions.

13. Addressing the threat of climate change is the greatest challenge of our times, and everyone in Scotland will be aware of the reasons why action needs to be taken. The Climate Change (Scotland) Act 2009 sets out a legal framework of ambitious annual emissions reduction targets, and includes new duties on public bodies to act in a way calculated to contribute to the delivery of these targets. Housing will be central to the achievement of these aims.

14. Scotland has made an excellent start. There have already been dramatic improvements in energy efficiency with 50% of homes now rated ‘good’ on the NHER scale compared to only 7% in 1996. Our commitment to achieving the Scottish Housing Quality Standard (SHQS) for all social housing by 2015 is an important initial step that can be taken to help improve energy efficiency. The SHQS requires that social housing in Scotland must have cavity wall insulation, loft insulation hot water tank and pipe insulation and full energy efficient central heating systems. Ambitious new programmes such as the Energy Assistance Package (EAP) and Home Insulation Scheme (HIS) are helping to ease financial pressures on households through reduced fuel bills, by installing energy

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109 See [http://www.scotland.gov.uk/Publications/2010/03/22120652/0](http://www.scotland.gov.uk/Publications/2010/03/22120652/0)
111 Source: [Scottish House Condition Survey](http://www.scotland.gov.uk/Topics/Statistics/SHCS)
112 Source: [http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP/eap](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/FP/eap)
efficiency measures and creating and sustaining jobs, as part of the Economic Recovery Plan. The EAP has recently been expanded to assist a wider range of households experiencing fuel poverty while retaining a targeted approach at those in most need and those in the poorest quality housing. Our investment in area-based insulation schemes will increase from £15m in 2009-10 to £25m in 2010-11, including a new £10m universal scheme.\textsuperscript{114}

15. Scottish building regulations continue to ensure that new homes are carbon and energy efficient, with current standards resulting in CO\(_2\) emissions some 60\% less than 1990 levels. Following recommendations in the Sullivan Report\textsuperscript{115} – \textit{A Low Carbon Building Standards Strategy for Scotland} – proposals for 2010 building regulations will reduce emissions by 30\% compared to current standards (an overall reduction of 70\% reduction on 1990 levels), with further review scheduled for 2013 and 2016. The Scottish Government is currently exploring ways of recognising even higher levels of energy efficiency.

16. Even with the important progress that has been made, the scale of the challenge remains immense. The consultation on our Energy Efficiency Action Plan set out the scale of the task, with an estimated £16 billion of investment required to achieve our target of a 42\% reduction in greenhouse gas emissions by 2020. This will require a radical transformation of the housing stock, and we need to think equally radically about how this transformation will be achieved and the role of Government, landlords and homeowners in this process. While there will be significant costs, efforts to make the existing housing stock greener have the potential to generate thousands of jobs and reduce fuel bills. There are no specific figures for the housing sector as yet, but Scottish Government estimates that concerted action combined with an expanding global market could increase low carbon employment in Scotland to around 130,000 by 2020.\textsuperscript{116}

17. In recent years, energy efficiency standards have improved most rapidly in the social sector and are, on average, poorest in the private rented sector. Due to the significant sums involved, we will need to think creatively about how owners and landlords can be supported and encouraged to undertake this investment. We will seek to influence the UK Government as it develops its approach to the emission saving obligations placed on energy companies and to ensure that support is focused on households that need it most.

\textsuperscript{114} Source: http://www.scotland.gov.uk/Topics/Built-Environment/Housing/quality/his/universal-scheme
\textsuperscript{115} http://www.scotland.gov.uk/Topics/Built-Environment/Building/Building-standards/about/sullivanreport
\textsuperscript{116} It is estimated that Renewable energy could support an additional 26,000 jobs; emerging low carbon technologies could support up to 26,000 jobs and environmental management could deliver a further 8,000 jobs. Full details are on page 27 of “Towards a low carbon economy for Scotland: discussion paper” - http://www.scotland.gov.uk/Publications/2010/03/22110408/0
18. Technological innovation will play an important role in improving quality and choice and driving cost-effectiveness. This is particularly important in respect of making our homes more sustainable and energy efficient. The Scottish Government’s Energy Efficiency Design Awards are rewarding innovation in improving the energy efficiency of existing housing. Social landlords are setting the pace, for example, through Fyne Homes’ recently completed Passivhaus and GHA’s plans for new energy efficient homes that will cost £100 a year for heating and hot water. We have established a new Housing Energy Efficiency Learning Network to identify, share and help people apply lessons from good practice and innovation.

19. In a period of tight public funding, it will be essential that we consider funding packages and incentives creatively, and make full use of innovative finance and funding models. These include the ELENA facility through the European Investment Bank, and the UK Pay As You Save model currently being developed (if appropriate for Scottish households).

117 Source: Scottish House Condition Survey
119 Source: http://www.eib.org/products/technical_assistance/elena/
Questions

- How can we improve the design and sustainability of the places we build to improve our health, wellbeing and environmental impact?
- What can we do to help partners to find, prepare and develop land and provide infrastructure? How can it be funded with reduced resources?
- What more could local communities do themselves to improve the places in which they live and work? How could this be encouraged?
- How can we ensure that homeowners take responsibility for the energy efficiency of their properties?
- How can housing stakeholders and the housing system help to promote the new green industries in Scotland?
- What does the challenge of climate change mean for the balance of investment between new homes and improving existing stock?
Chapter 5: considers how each of the main players in the housing system can play their part in addressing the challenges.
Excellence across the housing system

- Everyone – including government, landlords, lenders and builders – has a part to play in improving the housing system to achieve best value for the people of Scotland. This must involve a consistent focus on the needs of existing homeowners and tenants, and those seeking accommodation, to achieve improvements across the board.

- The Scottish Government and others must continue to encourage enterprise and innovation, for example, by supporting social and private landlords to deliver high quality services and by streamlining planning and building regulations.

- Each part of the system must be involved in identifying, sharing and applying good practice and innovation – stakeholders are asked to consider the specific suggestions outlined in this chapter.

Join the debate at www.scotland.gov.uk/housingpolicydiscussion
Chapter 5: Excellence Across the Housing System

1. This document has set out the scale of the challenges facing housing in Scotland over the coming years, and has raised a number of questions about the policies that might help us to meet those challenges. This final chapter is about how each stakeholder within the housing system can increase their impact within the system, in order to achieve best value for the people of Scotland. To emerge stronger out of the economic downturn and deliver a better service to households will require a consistent focus on the needs of homeowners and tenants, and improvements in the way we each play our part in the effective functioning of the housing system.

2. A key question for the Government – and indeed for others – is what can be done to encourage enterprise, innovation and commitment? Traditional performance management approaches will form part of the answer, but the question goes much wider than that and also embraces appropriate use of incentives, communicating best practice, and fostering an enterprise culture free from unnecessary bureaucracy.

The Housing (Scotland) Bill

3. The Housing (Scotland) Bill, currently before the Scottish Parliament, contains our proposals to strengthen and streamline the regulation of local authority landlords, and registered social landlords, including the introduction of a Scottish Social Housing Charter which will set out the outcomes which those landlords should be aiming to achieve. The Bill also includes provisions to improve the effectiveness of the powers available to local authorities to ensure homeowners look after their properties.

Raising standards in the private rented sector

4. The Government is working with local authorities, landlords and other stakeholders to improve the standards expected of private landlords. We are working collaboratively to highlight good practice and tackle bad landlords through the landlord registration and HMO (Houses in Multiple Occupation) licensing regimes, which require landlords to register and to be assessed as fit and proper by their local authority. At the same time, we are promoting good management practice through the voluntary national landlord accreditation scheme. We have implemented the Repairing Standard for private tenants and established the Private Rented Housing Panel to allow tenants to enforce the standard, and we are in discussion with stakeholders to develop regulations required to approve tenancy deposit schemes in Scotland.
5. We have established a high level stakeholder group – the Scottish Private Rented Sector Strategy Group – to take forward the conclusions of our comprehensive review of the private rented sector published last year. We want to see the growth of a professional, high quality Private Rented Sector equipped to provide sustainable housing solutions for Scotland in the 21st century.

**Affordable Housing Investment Reform**

6. Over the last two years, the Government has been developing a reform agenda for its social housing investment, in collaboration with RSLs and councils and their representative bodies. This work has increasingly benefited from the active participation of RSLs, local authorities and other stakeholders. The Investment Reform Working Groups are preparing advice to the Government about the standards that should be expected of developing social landlords, and on efficient procurement and collaboration.

7. On the advice of these working groups, the Scottish Government is commissioning a study to consider how social landlords can adopt modern procurement practices, drawing on the changes in procurement which have taken place across the public sector since the McClelland Report of 2006. In particular, this study will explore how social landlords can exploit their collective bargaining power to secure better value for money.

**Home Reports**

8. The Home Report, introduced on 1 December 2008, now gives buyers more information about the condition of properties upfront. This lets them make informed decisions about the potential future costs of looking after and running properties, before entering into what may be the biggest financial commitment of their lives.

**The Planning System**

9. Scottish Government policy is to embed sustainability in the building regulations for all homes. This continues to be achieved by strengthening the energy standards for all new buildings as well as the introduction of wider measures of sustainability. For example, the principles of ‘Lifetime Homes’ to allow adaptability are already embedded and further features – such as enhanced standards for noise – will be introduced in 2010.
10. Creating efficiencies within the planning system has been accompanied by a focus on outcomes. The second National Planning Framework has been published and the implementation of its action programme is moving forward, and a new development-focused approach to planning is being implemented through new-style development plans. This involves linking housing need and demand assessment, the local housing strategy and the plan.

Design

11. Design is also important to improving sustainability. In particular, since the Scottish Sustainable Communities Initiative (SSCI) was launched in June 2008 it has sought to achieve a step change in design, quality and environmental standards of new housing-led developments, and has led to the creation of exemplar projects which provide a basis for demonstration and learning.

The challenge facing each part of the system

12. We would welcome your views on how the Government can best play its part in shaping a successful housing system for Scotland. However, every organisation with a role in the delivery of housing or housing services must also play their part – RSLs, housebuilders, local authorities, private landlords, lenders, building professionals, the legal profession, estate agencies, residential property factors and planning authorities.

13. In addition, the views of homeowners, tenants and those seeking accommodation is crucial in delivering a more effective housing system which can deliver for all of the different types of housing consumer in Scotland. Stakeholder organisations have the opportunity to be more joined up in sharing what they know about consumer preference, and helping people to find a home that is right for them. For example, the concept of a personalised housing options approach described in chapter 3 could be one way of encouraging greater co-operation between stakeholder organisations, aimed at providing a more tailored outcome for the wide range of housing consumers we seek to assist.

14. All of the stakeholder organisations are independent of central government and must look to their own interests, taking account of the national policy and legal framework within which they operate. However, at this time of challenge the Government is also looking to these independent partners to maximise their contribution to the housing system as a whole.
15. For RSLs, the agenda will include:

- a focus on service delivery to tenants, embracing the new regulatory regime and in due course, achieving the outcomes set out in the Scottish Social Housing Charter;
- seeking efficiencies in their operations, including their operating costs and their procurement practices;
- the possibility of exploring the options for cost benchmarking methods to better understand their cost drivers and to help them focus their improvement activities;
- diversifying funding sources where possible and managing risks in the new tougher funding environment; and
- reconsidering their purpose and strategy; In March, CIH Scotland published *New Climate, New Challenges*, a report by Karen Neary and Ken Gibb. This sets out how RSLs can revisit their roles, identify new ways to serve their local communities, and identify new ways to work in partnership with other RSLs, councils and other agencies. Some RSLs may wish to diversify their housing provision, to include intermediate tenures (and perhaps, when conditions permit, developing property for sale) or work with private developers seeking to take a longer-term stake in their developments. Others may wish to reconsider whether their role in their community requires them to continue as a developer of new stock.

16. Local authorities which are social landlords face many of the same challenges as RSLs, in particular concerning the quality and cost of their services to tenants and the efficiency of their operations. They will also need:

- to review their overall housing role and how they marry together their strategic, planning and enabling functions with opportunities for a new enhanced role in the direct provision of housing;
- to fulfil their critical responsibility, working with RSLs and other local agencies, to ensure they are in a position to deliver their homelessness obligations by December 2012;
- to make full use of the powers available to them to enforce quality and standards in the owner occupier and private rented sectors within the context of limited resources, and to work with local partners to identify appropriate action where there are a number of issues affecting their community; and
- to collaborate with other authorities and with stakeholders across a wider geographical area, where this will help to achieve solutions and to improve efficiency.

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17. For all social landlords, the Scottish Housing Regulator has stressed the need to get the basics right, and the importance of performance, efficiency and service to tenants.\textsuperscript{121} Operating costs within both the Local Authority and RSL sectors have grown substantially over the last decade.\textsuperscript{122} Improvements in efficiency need to start at the top of any organisation, and average salary increases for the most highly paid RSL Chief Executives of 5.4% during 2008-09 are unsustainable.\textsuperscript{123} It is vital that ways to improve cost control and value for money remain at the forefront of landlords’ planning.

18. One current initiative to improve cost control and landlord self assessment is a pilot of the HouseMark methodology for cost benchmarking, recently launched by four councils (Edinburgh, Fife, North Lanarkshire and South Lanarkshire) and three RSLs (GHA, Castle Rock Edinvar and Tenants First), working with HouseMark and the Scottish Housing Best Value Network.

19. For private landlords, the challenges are:
   - coping with the current economic climate;
   - developing a greater understanding of their and their tenants’ rights and responsibilities; and
   - taking up measures and support to improve energy efficiency standards.

20. For lenders, the main challenges are:
   - continuing to recognise and support the funding needs of the housing sector and providing access to finance on reasonable terms;
   - continuing to work with the Scottish Housing Regulator and social landlords to ensure the most effective use of private finance;
   - considering whether they could make more of the leverage they have over parts of the system, for example by requiring borrowers to meet standards of repair of their property; and
   - making more mortgages available for credit-worthy first time buyers and ensuring mortgage arrangement fees and other charges, such as early redemption payments, are proportionate in order to allow existing home owners to remortgage and move home when they need to.

\textsuperscript{121} Shaping up for Improvement (2009): http://www.scottishhousingregulator.gov.uk/stellent/groups/public/documents/webpages/shr_sociallandlordsinscotland_hcsp

\textsuperscript{122} Over the period 1998-99 to 2008-09, in the local authority sector, real unit management and maintenance costs relating to the social housing stock (as deflated by the Retail Prices Index) have increased by an average rate of 3.6% per annum, equating to a total increase of 42%. Over the same period, in the RSL sector, real unit operating costs (which include costs both of social lettings and other activities) have increased at an average rate of 4.2% per annum, equating to a total increase of 51%.

\textsuperscript{123} Social Housing, Volume 22, Number 1, January 2010 - http://www.socialhousing.co.uk/
21. There is also an opportunity for institutional investors, such as pension funds and life companies, which have not traditionally funded the affordable housing sector, to consider doing so. Affordable housing is a low risk, ethical investment and there is the potential to develop suitable new products and routes that are attractive to institutions and other similar investors. The Scottish Government is committed to removing barriers which hinder the development of new long-term funding options and which put Scottish housing at a financial disadvantage. One example is the recent consultation on potential amendments to the 20 year rules. Changes to these should make housing a more attractive option for institutional investors.

22. Building professionals (architects, quantity surveyors, engineers etc) need to work with investors and housebuilders, to ensure that new housing developments and alterations follow best practice, exploit new technologies, and achieve a quality value-for-money product for the end user.

23. For those involved in the house buying and selling process, including the legal profession, estate agents and surveyors, it will be important to ensure that the fees and processes involved are transparent and do not inadvertently put obstacles, real or perceived, in the way of those who want to move between properties and/or tenures.

24. Residential property factors are well placed to work with homeowners to improve the condition and energy efficiency of the common parts of housing in the private sector. Over a third of Scotland’s population lives in a flat, maisonette or apartment, and properties of this type have been identified as being more likely to suffer from disrepair. As a result, arrangements for the management of common repairs are critical to the condition of a large part of our private housing stock.

25. For planners, the task is to ensure that decision processes are efficient and transparent, that they provide a degree of certainty to the developer, and that they deliver a quality development on the ground.

26. For housebuilders, the challenge is to adapt new practices, establish new partnerships, and perhaps new roles in order to continue development during the downturn and beyond. They may need to:

124 See sections 8 and 11 of the Land Tenure Reform (Scotland) Act 1974.
http://www.scotland.gov.uk/Publications/2010/03/04140613/0

125 Source: Scottish House Condition Survey http://www.scotland.gov.uk/Topics/Statistics/SHCS
- take a longer-term stake in some developments;
- diversify their products (with respect to tenure);
- work more closely and collaboratively with RSLs and planning authorities, particularly through the development plan process;
- take more responsibility in advising prospective buyers on the upkeep and other responsibilities that go with the property; and
- pursue new technologies, high quality design, and new methods of construction in order to minimise life-cycle costs and meet the climate change challenge.

27. Households need to take home ownership decisions based on long-term fundamentals rather than short-term speculative prospects and be alive to the risks, costs and responsibilities associated with home ownership as well as the benefits. For private rented tenants, it means understanding their rights and responsibilities and increasing their awareness of initiatives to improve standards such as landlord registration, the Private Rented Housing Panel and the Repairing Standard. For registered tenant organisations, it means demanding good value from providers drawing on better information on comparative performance between landlords against Scottish Social Housing Charter outcomes.

28. For all involved, issues of innovation and best practice will be critical. In the private sector, we need a new spirit of entrepreneurship which looks to innovate and harness new technological solutions. In the public and voluntary sectors, the issue is more one of working together – ensuring that solutions found in one part of the country can be shared across Scotland. Our professional bodies such as the Chartered Institute of Housing have a key role to play in both these endeavours.

29. We are already working with a range of partners to help the housing sector identify, share and apply practice and innovation. We have established learning networks on Housing Energy Efficiency and Housing Management and Efficiencies which bring people together through events, study visits and action learning, and we have set up a web portal and e-newsletter which share examples of practice and innovation across the sector.
30. Our focus on the effectiveness of social housing services is part of our wider agenda for public service reform, which seeks to improve the quality of public services and ensure different agencies work together to achieve common goals. For example, good quality tenancy support services provided to vulnerable tenants can complement the work of social services and the NHS. It is also essential that affordable housing providers link effectively with the armed forces in order to help returning servicemen and women find suitable long term accommodation.126

Conclusion

31. Addressing the challenges of the future will require a new set of policy responses and also sustained effort across all the stakeholders in the housing system. This paper launches a debate about the ways we can best respond to the challenge. It is clear that if we are to achieve our goals we will need the active engagement of everyone with an interest in the housing system.

126 We have recently published a housing guide for people leaving the armed forces and ex-service personnel, available at [http://www.scotland.gov.uk/Publications/2010/03/24165717/0](http://www.scotland.gov.uk/Publications/2010/03/24165717/0)
Questions

- How can the various parts of the system – in particular lenders, social landlords and housebuilders – best work together to support each other’s interests and the interests of the system as a whole?
- How can people be empowered to influence performance and housing outcomes?
- How can stakeholders pool knowledge and resources to take forward a more personalised housing options approach?
- What technologies are available that could be exploited further to raise the performance and efficiency of housing and housing services?
What do you think?

The publication of this document is the starting point for a broad discussion about our housing futures, which will take place throughout the summer, with events across the country to discuss the various themes.

We want people’s voices to be heard in this national housing discussion.

You can get involved by going on-line at www.scotland.gov.uk/housingpolicydiscussion or by sending your thoughts on the issues to Housing Policy Discussion, Scottish Government, 1H (South) Victoria Quay, Edinburgh EH6 6QQ or by email to housingpolicydiscussion@scotland.gsi.gov.uk

We invite contributions on any aspect of the Scottish Government’s housing policy. Don’t limit your comments to the questions set out in the chapters of this document; they are not intended to define the scope of discussion, but to stimulate thinking.